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TO RUEHC/SECSTATE WASHDC 8268  
INFO RUEHAC/AMEMBASSY ASUNCION 5635  
RUEHBO/AMEMBASSY BOGOTA 2903  
RUEHBR/AMEMBASSY BRASILIA 6774  
RUEHBU/AMEMBASSY BUENOS AIRES 3995  
RUEHCV/AMEMBASSY CARACAS 1341  
RUEHPE/AMEMBASSY LIMA 1246  
RUEHME/AMEMBASSY MEXICO 1661  
RUEHMN/AMEMBASSY MONTEVIDEO 3593  
RUEHQT/AMEMBASSY QUITO 3976  
RUEHSG/AMEMBASSY SANTIAGO 8497  
RUCPDO/DEPT OF COMMERCE WASHINGTON DC  
RUEATRS/DEPT OF TREASURY WASHINGTON DC  
RHEHNSC/NSC WASHINGTON DC

UNCLAS LA PAZ 000544

SIPDIS

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STATE FOR WHA/AND LPETRONI  
COMMERCE FOR JANGLIN  
TREASURY FOR SGOOCH  
STATE PASS TO USTR FOR BHARMAN

E.O. 12958: N/A

TAGS: [ETRD](#) [EINV](#) [ECON](#) [PREL](#) [BL](#)

SUBJECT: BUSINESSMEN PUSH FOR FTA, SEEK TO INFLUENCE MORALES

¶1. (SBU) Summary: In a February 23 meeting, members of the Private Businessmen's Confederation urged President Evo Morales to secure Bolivia's entry into the proposed Andean Free Trade Agreement (FTA), emphasizing the negative consequences to industry and labor of Bolivia's failure to sign. Confederation President Roberto Mustafa told Econoff Morales was not categorically opposed to an agreement, noting Morales asked the business community to "convince him" of the benefits of an FTA and agreed to visit several leading exporters. Through conversations like these, the business community is seeking to shape Morales' decisions and may provide a means of expanding our own influence on the new administration's policies. End summary.

¶2. (SBU) In a February 23 meeting, representatives of the more than 30 trade groups comprising the Private Businessmen's Confederation urged President Evo Morales to secure Bolivia's entry into the proposed Andean Free Trade Agreement (FTA), emphasizing the negative consequences to industry and labor of Bolivia's failure to sign. Leading businessmen warned Morales that the GOB's failure to secure an agreement would lead to sharp drops in exports and thousands of job losses and urged him to commit to negotiations and work with USG officials to achieve a mutually beneficial agreement.

¶3. (SBU) Confederation President Roberto Mustafa told Econoff Morales was not categorically opposed to an agreement. He noted that Morales asked the business community to "convince him" of the benefits of an FTA, saying he had heard only bad things and now wanted to hear the good. Mustafa and others, including Marcos Iberkleid, President of Ametex, Bolivia's leading apparel manufacturer and largest private employer, agreed to work with the Bolivian Foreign Trade Institute to draft a report outlining the FTA's potential benefits and suggested Morales visit factories to see for himself the advantages of an export-driven economy. Morales accepted the invitations, tentatively scheduling early March visits to leading apparel, wood, jewelry, and leather manufacturers,

many of them in El Alto.

14. (SBU) Comment: Through conversations like these, the business community is increasing its contact with Morales and seeking to influence his decisions. According to Mustafa, reaching Morales is key, as his closest advisors, Vice President Alvaro Garcia Linera and Minister of the Presidency Juan Ramon Quintana, have very different social and economic views and seem to compete for the president's ear. In Mustafa's opinion, Morales lacks deep-seated, clearly defined beliefs on economic issues and so is open to everything, often swayed by whoever reaches him first. Mustafa said he planned to strengthen his relationship with Morales and other GOB officials to try to shape their views on trade and other economic issues. We may wish to work with Mustafa and other business leaders toward this end. End comment.  
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